

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 3282

[Docket No. FR-4216-P-01]

RIN 2502-AG92

On-Site Completion of Manufactured Homes

MHCC Revision – 05/29/03

AGENCY: Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Proposed Rule.

SUMMARY: In this rule, HUD is proposing to allow limited on-site completion of new manufactured housing in compliance with the Federal standards. Unlike the regulations for alternative construction approvals, this new process would not require manufacturers to seek advance Secretarial approval. Instead of 24 CFR part 3282.14, HUD is proposing a process by which manufacturers and State and private inspection agencies could agree to permit limited work at the site, under certain conditions, to complete construction of new manufactured housing. This rule would also clarify that the on site work is part of the manufacturing process under the Federal standards and not subject to local codes. This rule, however, does not intend to extend the benefits of Federal preemption to any manufactured home in which a major part of the home is completed on site. This rule does not apply to the installation of a manufactured home, which will be the subject of a separate rulemaking pursuant to the amendments found in the Manufactured Housing Improvement Act of 2000 (the MHIA of 2000). In seeking guidance from commenters on how to define the scope of work that may be done on site, HUD raises a number of specific questions, in Section VI of the preamble.

DATES: Comments must be submitted by [Insert date 60 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: Interested persons are invited to submit comments regarding this proposed rule to the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410-0500. Communications should refer to the above docket number and title. Facsimile (FAX) comments are not acceptable. A copy of each communication submitted will be available for public inspection and copying between 7:30 a.m. and 5:30 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: William W. Matchneer III, Administrator, Manufactured Housing Program, Department of Housing and Urban Development, 451 Seventh Street SW, Room 9156, Washington, DC 20410 phone (202) 708-6409 (this is not a toll-free number). Hearing- and speech-impaired persons may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background.

The National Manufactured Housing Construction and Safety Standards Act of 1974 (the Act), 42 U.S.C. 5401 et seq., authorizes the Secretary to establish and amend manufactured home construction and safety standards (the standards). The standards established by the Secretary are codified in 24 CFR part 3280. The Act also authorizes the Secretary to establish procedures necessary to assure compliance with the standards and the enforcement and monitoring provisions of the Act. These procedures are codified in 24 CFR part 3282. As indicated in § 3282.1(b), it is HUD policy to work in

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partnership, especially with State agencies, in the enforcement of the standards, consistent with the public interest. In accordance with section 604(b) of the MHIA of 2000, HUD provided this proposed rule to the Manufactured Housing Consensus Committee for its review and provided the consensus committee a 120-day comment period. Section 3282.14 of the regulations permits the sale or lease of manufactured homes that are not in compliance with the standards in circumstances where the public interest is not compromised. The section establishes a separate, specific "alternative construction" procedure to allow HUD to approve such homes to encourage innovation and the use of new technology. The procedure is available for manufacturers using new designs or techniques not in conformance with the standards when compliance with the standards would be unreasonable or the variance from the standards would be for research, testing, or development purposes. To maintain a high level of safety and durability, construction must provide performance that is equivalent or superior to that required by the standards.

The alternative construction procedure is limited to specific, narrow circumstances and requires the manufacturer to submit a formal request to HUD Headquarters for review before the Secretary issues a letter approving or denying the request. This procedure may, on occasion, be lengthy because of HUD staffing limitations.¹ The alternative construction process is not formulated to readily address the increasing sophistication of manufactured housing. Some manufactured homes now include home design features, like stucco or brick, which cannot reasonably be completed in the factory, and are being completed on site using the alternative construction process. HUD also recognizes that some parts of manufactured homes are typically shipped loose, like smoke alarms and plumbing equipment. After the homes are completed on-site, they would comply with the standards. Such housing often provides affordable housing while maintaining the architectural style of surrounding neighborhoods. HUD believes that the Secretarial-approval limitations on the alternative construction process may be counterproductive to efforts to use manufactured housing to increase the availability of affordable housing and enhance affordable homeownership opportunities.

This proposed rule addresses the completion of homes at the site that are in compliance with federal manufactured housing construction standards, and it does not intend to effect or address the installation of the home. A totally separate set of standards and regulations for the installation of homes is under development and these standards and regulations shall govern the installation requirements, in accordance with section 605 of the MHI Act of 2000.

This proposed rule would authorize Design Approval Primary Inspection Agencies (DAPIAs) and Production Inspection Primary Inspection Agencies (IPIAs) (collectively known as PIAs) to approve and inspect manufactured homes that when completed on site conform to the standards, under limited circumstances. The proposal is consistent with HUD's desire to give the industry more flexibility and accommodate innovative approaches.

This proposal also allows HUD to use existing resources better to encourage innovation and develop compatible and affordable housing, while remaining faithful to the Secretary's responsibilities under the Act to ensure durable and safe housing.

Such variances from the current requirements relating to the construction of manufactured housing also must include an adequate quality control and inspection processes, and provide requirements for good record keeping, to ensure protection for consumers and the public. Through this rulemaking, HUD will be responsive to the needs of manufacturers, private inspection agencies, State officials, and consumers. HUD emphasizes that the procedure to be permitted under this proposed rule applies only to aspects of construction over which HUD already maintains existing standards and which

¹ HUD reminds manufacturers that they can make their alternative construction requests as flexible as possible by seeking approvals that are not model-specific, as permitted under § 3282.14(c)(3).

HUD has historically exercised preemptive authority. Thus, approval of construction completed on site under this new process cannot be extended to requirements imposed under State or local authority in construction-related areas that are not preempted by Federal standards. Any changes necessary in future years, when the MHIA of 2000 is fully implemented, will be submitted for consensus committee review and public comment.

HUD does not believe that the drafters of the MHIA of 2000 intended the benefits of Federal preemption to be extended to extensive and lengthy on-site construction of any manufactured home. The foundation of the Federal manufactured housing program is that national standards should be enforced through a manufacturer's quality control system of in-plant inspections and monitoring by PIAs of the manufacturer's quality control inspection system. Therefore, it would be inappropriate to permit major portions of a home to be completed on site. For purposes of this rule, major portions of work is defined as a majority or large percentage of construction work performed at the home site in order to bring the home into compliance with the HUD standards. In Section VI of this preamble ("Specific Issues for Comment"), commenters are invited to respond to a number of questions aimed at defining the specific instances in which this proposed procedure could be used appropriately.

HUD hopes that the additional flexibility allowing completion of some aspects of construction after the manufactured home is transported to the site will permit manufacturers to use designs and techniques that will demonstrate the adaptability and versatility of manufactured housing. Manufacturers continue to make significant improvements both to the manufacture and aesthetics of homes. Permitting limited on site construction could lead to increased recognition of these homes as a viable source of unsubsidized affordable housing and could encourage zoning policies that do not discriminate against manufactured housing.

II. Distinction from Alternative Construction.

The special procedure proposed in this rule for on-site completion differs from standard alternate construction approvals in that:

- On-site completion only applies to homes that can be certified as substantially meeting the requirements of the standards when labeled in the factory, and that will comply with the standards when completed on site.
- On-site completion allows a manufacturer to work directly with the DAPIA and IPIA for approval to complete aspects of construction at the final home site and avoids submissions for approval by the HUD Secretary.
- On-site completion requires the manufacturer's quality control system to extend to the on-site work. The process also requires the IPIA to concur with the manufacturer's quality control system and to accept responsibility for assuring that the manufacturers in plant and onsite quality control system is working and that on-site construction is completed in conformance with the standards and approved designs. Only persons authorized by the manufacturer may complete the construction work on site, and only the IPIA in the factory of origin, or other qualified independent inspector acceptable to and acting on behalf of the IPIA (including, possibly, an IPIA in the State where the home is sited), may perform the oversight monitoring, including inspections. This process will eliminate routine, extensive reporting directly to HUD for site inspections of completed homes, unlike the alternative construction process. Instead, the manufacturer need only report to HUD or its agent the location of the home, its serial number, and a brief description of the work done on site for each home. This information will be included on the normal production form--the "HUD Manufactured Home Monthly Production Report" (Form 302)--on which each manufacturer already reports to its IPIA and to HUD (or its agent) certain completion and shipping information on finished units.
- The on-site completion process eliminates direct HUD review and approval of alternative construction proposals for manufactured homes, if those homes meet the requirements of the standards

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when completed on site.

The procedure to allow on-site completion of manufactured homes is complementary to the alternative construction procedure (for which HUD approval is required) that permits construction using noncomplying designs and techniques. These two procedures address different aspects of the final product, and both may be utilized on the same home, when appropriate. The on-site completion process is focused on homes that have designs that comply with the requirements of the standards. The alternative construction procedure is for homes that use new designs, materials or techniques that do not comply with or are not currently addressed by the standards.

III. Proposed Procedure.

A. Purpose and Applicability (Proposed § 3282.15(a)). This rule proposes a procedure that permits deviations from existing requirements when an aspect of construction cannot reasonably be completed in the manufacturer's production facility and partial completion is required on site. In general, the proposal permits limited on-site completion under certain circumstances, without requiring an alternative construction letter issued by HUD. These special procedures may only be used when there is agreement between the manufacturer, its DAPIA, and its IPIA to follow them, and if all affected homes are substantially completed in the factory, as defined below.

B. DAPIA Approval (Proposed § 3282.15(b)). The manufacturer must request and obtain DAPIA approval to complete, on site, the final, aspects of construction of a manufactured home that will be substantially completed in the factory (i.e., the home leaving the factory must include: (a) a complete chassis; and (2) structural assemblies and plumbing, heating, and air conditioning systems that are complete except for construction that cannot reasonably be completed in the manufacturer's production facility and that the DAPIA has approved for completion on-site). Among other things, in the approval the DAPIA will identify what work will be completed on site and will authorize a notice that includes a description of this work, identify instructions authorized for completing the work on site (including any special conditions and requirements), and list all models for which the DAPIA approval is applicable². As part of its approval, the DAPIA will stamp or sign each page of any set of designs accepted for completion on site, and will include an "SC" designation on each page that includes an element of construction that is to be completed on site.

In addition, the DAPIA must approve the part of the manufacturer's written quality assurance system that is applicable to completing the manufactured homes on site to the standards. When the part of the quality assurance system applicable to the on-site completion also has received the concurrence of the IPIA, the system may be approved as part of the manufacturer's quality assurance manual. If this approval is not done as part of the initial approval of the entire quality assurance manual, it will be deemed a change to be incorporated into the manual in accordance with established procedures (see §§ 3282.203(e) and 3282.361(c)(4)). The quality control system for completing work on site needs to contain procedures to notify the IPIA when the work will be ready for inspection within a reasonable time period. The approval may also include other requirements, such as use of an inspection checklist developed by the IPIA and manufacturer and approved by the DAPIA, in the manufacturer's and IPIA's final inspections. As with the procedures followed under an approval for alternative construction, the manufacturer's IPIA will then be responsible for assuring that homes it inspects under the new procedures in this proposed rule comply with the changes in the quality assurance manual, as provided in

² As with the alternative construction process, an approval for on-site completion may be made more flexible when the PIA's and manufacturer agree that the approval is not model-specific, but may be extended to additional models. See § 3282.14(c)(3).

§ 3282.362(a) of the regulations.

C. Requirements Applicable to Completion of Construction (Proposed § 3282.15(c)). After an acceptable final inspection of work completed on site, the manufacturer must report to HUD or its agent the serial number and a brief description of the work done on site for each home produced under the new procedures. This report must be consistent with the DAPIA approval and will be submitted, in part, on the modified production Form 302. A copy of this report also must be submitted to the State Administrative Agencies (SAA's) of the States where the home is substantially completed in the factory and where the home is sited, as applicable. The serial numbers as provided by the manufacturer must contain the prefix "SC", for site construction.

A home will be shipped with a certification label affixed as required in 24 CFR 3282.205. The home will bear an on site completion notice appended to the certification label that informs the retailer, distributor, IPIA, or an IPIA's designated agent, that the home will be completed on-site. This notice shall read, "This manufactured home will be completed on-site under the requirements of 24 CFR 3282.15 – On-Site Completion of Homes." Upon successful completion of the final home on-site inspection, the notice shall be removed and attached to the inspection report.

Approved designs for completion of aspects of construction outside the manufacturer's plant must be marked with the identification code for the appropriate approved set of designs, and must be included as a separate part of the manufacturer's approved design package.

All aspects of construction that are completed on the final home site remain the responsibility of the manufacturer, which must ensure that the home is properly labeled and certify the work is consistent with DAPIA-approved designs as part of its final on-site inspection report provided to the IPIA. The IPIA would be required to review all of the manufacturer's on-site inspection reports and similar to factory inspections, the IPIA will be responsible for inspecting enough of the on-site work to ensure the manufacturer's approved quality control system is working. This responsibility includes an assurance that on-site workers are adequately trained to complete the work according to the manufacturer's quality control system. If the IPIA determines that the manufacturer is not performing adequately in conformance with the approval, the IPIA may require re-inspections, until it is satisfied that the manufacturer is conforming to the conditions included in the approval. Only the IPIA, or other qualified independent inspector acceptable to and acting on behalf of the IPIA, may perform these inspections. The independent inspector may not be associated with the manufacturer or involved in the site completion of the home.

D. Consumer Information (Proposed § 3282.15(d)). In addition to the certification label, the home must be shipped with a "NOTICE" that explains the home will comply with the requirements of the standards only after all of the limited site work has been completed in accordance with detailed instructions provided by the manufacturer and the home has been inspected. The "NOTICE" is to be displayed in a prominent and highly visible location within the home (e.g., a kitchen countertop or front door), and includes the information that instructions for the aspects of construction to be completed on site are provided with the home. The notice may only be removed when the final inspection report is completed.

The manufacturer must maintain in its labeling records an indication that the final site inspection report and certification of completion has been provided to the purchaser.

E. Responsibilities of IPIA (Proposed § 3282.15(e)). The responsibilities of the IPIA will include, in addition to the IPIA's regular duties under § 3282.362:

- Working with the manufacturer and the manufacturer's DAPIA to ensure the manufacturer's quality control system has the proper procedures and controls to assure the on-site construction work will conform to DAPIA-approved designs and the Department's construction standards.

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- Providing the on site completion notice to be appended to the certification label.
- Monitoring the manufacturer's proposed system for tracking the status of homes built under the approval until the on-site work and necessary inspections have been arranged for and completed, to assure that the work is being performed properly on all homes installed on a building lot.
- Removing the on site completion notice or other identifying marker appended to the certification label that evidences the manufacturer's certification that the home as completed on site complies with the standards. The IPIA will not allow the removal of the on site completion notice appended to the certification label on each home until all site work is completed to the IPIA's satisfaction.
- Performing or arranging for the IPIA's agent to perform the required inspections, as necessary to assure the manufacturer's quality control system is working for the work being completed at the site including reviewing the manufacturer's reports.
- For a period of five years, maintaining a copy of each final site inspection report submitted by a manufacturer and each inspection report prepared or accepted by the IPIA.

F. Manufacturer's Responsibilities (Proposed § 3282.15(f)) The manufacturer's responsibilities will include:

- Certifying the home as required by affixing a permanent certification label as required by §§ 24 CFR 3282.205 and 24 CFR 3280.11.
- All construction work performed on a home that is necessary to assure compliance with the standards and is not part of the siting (installation) process, regardless of who does the work or where it is completed.
- Working with the DAPIA and IPIA to obtain approval and concurrence on the quality control system the manufacturer will use to assure the on-site work is performed according to DAPIA-approved designs, and to incorporate this system into the manufacturer's quality assurance manual.
- Maintaining a system for tracking the status of homes built under the approval, to ensure that each home installed on a building lot has the on-site work and necessary inspections completed.
- Paying IPIA costs for performing on-site inspections.
- Providing a copy of the instructions for completing the work on site, inside the home and to the IPIA, for monitoring/inspection purposes (the copy provided in the home may be provided with the installation instructions in the home).
- Maintaining a copy of the site inspection report and the notification of the IPIA's approval or acceptance of this report for five years.
- Removing the on-site completion notice and attaching the notice to the inspection report.

G. Report (Proposed §§ 3282.15(c)(3), (e)(6) and (f)(9)) For a period of five years, the manufacturer's copy of each site inspection report will be available for review by HUD at the factory of origin, and the IPIA's copy of the inspection report will be available at the IPIA central office for review. The report must identify:

- The name and address of the manufacturer;
- The serial number of the home and address of the site;
- The name and address of the installer(s) or contractor(s) responsible for performing any or all on-site completion work
- The name of the inspector and the inspector's company affiliation (if any), mailing address, and phone number; and
- A description of the work performed and inspections made.

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- Certification of completion according to instructions.

H. Enforcement (Proposed § 3282.15(g) and (h)). A manufacturer or PIA found to be in violation of the requirements for this procedure may lose the discretion to utilize it in future. HUD, IPIA or the DAPIA also may withdraw or amend an approval for on-site construction if the manufacturer does not comply with the requirements for the approval or produces a home that does not comply with the Federal standards.

IV. Comparison.

A. Current Siting Process vs. On Site Completion. HUD has already been allowing certain details of manufactured homes to be finalized on site as an extension of the siting process. This work includes: (1) final framing and decking of hinged roofs that are not penetrated for windows or including connections for heat-producing appliances and plumbing equipment; (2) close-up details for multiple sections (e.g., exterior roof coverings; siding; ridge caps; sheathing; roof, wall, and floor connections; crossover ducts; and utility connections); and (3) close-up details for single sections (e.g., utility connections, and exterior roof coverings and siding for expandable rooms). HUD would continue to allow this type of work to be finalized at the home site, as an extension of the siting process that is to be addressed as part of the installation standards and program, without having to proceed under the alternative construction or on-site completion processes defined in §§ 3282.14 and 3282.15.

However, other details finished on site will require approval under the new process proposed in this rule or under the alternative construction process in § 3282.14. For example, areas that could not be completed in the factory because of transportation height restrictions (e.g., incomplete flue pipe installations for high roof slope conditions) would require special approval to be completed on site.

B. Activities Qualifying for On-Site Approval. Construction activities that could qualify for approval under the procedures set out in this proposed rule are the partial completion of structural assemblies or systems (e.g., electrical, plumbing, heating, cooling, fuel burning, and fire safety systems) and components built as an integral part of the home, to the extent warranted because:

- Completion of the partial structural assembly or system during the manufacturing process would result in transportation damage or would be precluded because of road restrictions (e.g., bridge heights).
- The home design involves work that cannot reasonably be completed in the factory (e.g., fireplaces at marriage lines and designs that involve such finishing aspects as stucco, brick, or tile).
- The homeowner is or may be providing a building component, such as a bathtub, water heater, gas appliances or cooking range.
- General construction work, preempted by the Standards, that the manufacturer, DAPIA and IPIA have concluded (most appropriately and cost effectively) should be completed on site.
- The home design allows additions to be completed on site based on the requirements of the authority having jurisdiction such as garage, basement or room addition ready or natural gas ready homes.
- The home has exterior or marriage line designs that are susceptible to transit damage such as exterior doors, installation of dormers, or non-load bearing marriage line walls.

C. Activities Not Qualified for On-Site Approval. The manufacturing of the following items would not qualify for site completion, and therefore would not qualify under the procedures set out in this proposed rule for approval outside the certified production facility:

- Complete or substantial construction of structural assemblies of a home, except pursuant to an

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approval received by the manufacturer under §§ 3282.14. Examples of substantial construction of structural assemblies that would not be allowed include the complete roof, load bearing walls, adding a complete room built to the construction standards and the floor.

- Complete or substantial assembly of systems (e.g., electrical; plumbing; heating, cooling, and fuel burning systems; transportation; and fire safety) and components that are built as an integral part of the home during the manufacturing process and are usually completed in the factory, except pursuant to an approval received by the manufacturer under § 3282.14 or as currently allowed to be finalized at the site as an extension of the siting of the home. Examples of substantial assembly of systems that would not be allowed include: installing the plumbing, heating, cooling or electrical system for one of the two sections in a multi-sectioned home or completing all the systems in a room on a floor at the site.

V. Conforming Amendments.

The proposed rule includes conforming changes to other sections of 24 CFR part 3282. The conforming amendment proposed for § 3282.552 also clarifies the actual information that is included on the reports currently submitted under this authority.

VI. Specific Issues for Comment.

HUD continues to encourage suggestions for improving its responsiveness to technological advancements and innovation that foster the use of manufactured housing for affordable housing and to enhance affordable homeownership opportunities. In developing a proposal that would help focus comments, HUD has defined certain features of a proposed on-site completion procedure. However, HUD is very interested in the views of the industry, consumers, private inspection agencies, and State and local governments on the usefulness and practical aspects of such a procedure. Therefore, in addition to commenting on the specific provisions included in this proposed rule, the public is invited to comment on the following questions that HUD staff have raised, and any other related matters or suggestions:

(1) How should the rule define the limits of the construction work that may be completed on site?

Should the definition of a manufactured home that is "substantially completed" in the factory be improved? If so, how? Should HUD specify that multistory construction involving manufactured homes is not eligible for this new process and continues to be subject to the existing alternative construction process?

On-site completion should be limited to construction that is currently addressed by the standards but which the manufacturer, DAPIA and IPIA have concluded would most appropriately be constructed at the home site. Typically, these items could readily be completed in the factory except where the factory completion would result in transportation damage, would be precluded because of height or width transportation restrictions, or could be most cost effectively constructed on site in order to preserve and promote affordability.

If and when the standards address multi-story construction, HUD should permit on site construction for the very reason it would be allowed on site completion for single-story homes. The rule should permit site completion for any home or construction that is addressed by the existing standards. On-site construction is merely a cost-effective, and in some cases, necessary feature to bring homes that have been substantially completed in the factory into compliance at the home installation site. In addition, the joining of sections vertically is little different from joining home sections horizontally.

It might be advisable to provide a definition of "completed" in 24 CFR 3282.7. The Regulations at 3282.204(c), require that the certification label be affixed only to completed manufactured homes, but does not clearly define what a completed manufactured home is. Since the inception of the HUD program, double wide and even triple wide homes have been labeled in the factory even though certain

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structural and utility connections had to be made in the field. This practice has been tacitly accepted with the understanding that the manufacturer's installation instructions will address the field completion. However, the multi-story and multi-section homes currently being produced can require extensive field finishing. This can include: 1) horizontal and vertical structural components; 2) installation and finish of roof construction or even entire roof structures; 3) horizontal and vertical connections of electrical systems, gas line(s), plumbing lines and duct systems; 4) appliances and appliance vent systems; and, 5) exterior weather resistance coverings.

The regulations must properly address completion of as much of the home in the factory as is practicable, and must assure the completion of the field installation keeps the home in compliance with the Standards.

This below proposed definition provides the regulatory tools to assure completion of the home in accordance with the approved design packages, and prevents the abuse of the field installation process. "COMPLETED" – as it applies to affixing a certification label, means that the manufactured home as it leaves the factory, is in full compliance with the Regulations and the Standards except for structural, electrical, mechanical, and plumbing installations and connections necessary to complete and connect the transportable sections on site, and the installation of weather finishes designed to cover these field connections. The approved designs and manufacturer's installation instructions shall specify the work, connections and coverings which are to be field completed.

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(2) Should the proposed requirements applicable to on-site completion be extended to those aspects that are currently allowed as an extension of the siting of the manufactured home, including final framing and decking of unpenetrated hinged roofs and close-up details for multiple and single sections? How can home purchasers be assured that this work conforms to the Federal standards or does not take the home out of compliance? Should other special requirements be attached to any of these construction aspects; e.g., should such hinged roofs be required to be completed by factory-certified installers? Conversely, should any aspects of the home that could not be completed in the factory, such as because of transportation height restrictions, be allowed to be completed on site, as an extension of current siting processes, without special approval, pending a final rule on installation standards as required by section 605 of the Act? If so, how should those aspects be defined or delineated? Can those aspects be monitored effectively to ensure proper construction and compliance with the Federal standards, and, if so, how?

No, the installation standards and foundation system requirements are totally separate issues, and should not be addressed or included in any way, as part of this proposed rule for on-site completion. Home installations are regulated today, and under the new HUD program, all States will have either State-based installation requirements or the default HUD installation requirements.

This on-site completion process should not be used to further hinder and burden the current practice for siting homes. HUD should retain the current installation aspects that are permitted as these items are usually found in the manufacturer's installation instructions as an extension of the siting process. This on-site completion proposed rule should only concentrate on those aspects that will conform to the standards as an extension of the factory production process.

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(3) Has HUD drawn the proper line between aspects to be finalized as an extension of the current siting process and completion of construction on site?

These proposed rules address an industry's concerns and our recommendations clarify the intent.

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(4) What is the best method for assuring that the on-site construction work is inspected for compliance with the standards? Should the IPIA inspect all homes completed on site, or should the IPIA complete inspection for only a certain amount of home completed on site? Should there be an initial inspection of a certain number of homes and then a random number thereafter? What percentage of homes should be inspected to ensure compliance with the Federal standards for homes completed on

1 site? Should authorized inspectors be limited to State and local inspection officials, rather than permitting
 2 IPIAs to choose some other qualified independent inspector? How should a "qualified independent
 3 inspector" be defined?

4 IPIA inspections should be per the current regulations. The regulations require that the IPIA conduct
 5 representative inspections on manufactured homes and that every home is inspected at some stage in its
 6 production. Since the proposed on-site rule is simply an extension of this process, the current inspection
 7 criteria and frequency implemented in the factory should apply to on-site construction. The IPIA should
 8 determine the most cost-effective and adequate level of inspection to ensure that homes completed on site
 9 are in compliance with the standards.

10 (5) Does HUD need to identify those aspects of completion of the home that are not subject to
 11 preemption (e.g., stairs and handrails) and inform local inspectors that they may inspect those aspects?
 12 For example, in its request for approval to complete construction on site, should a manufacturer be
 13 required to identify those design aspects that are not covered by the standards and, therefore, are subject
 14 to local or State building codes? Should these design aspects also be listed individually on the Notice
 15 required to be displayed in the home?

16 HUD should not attempt to identify or make a list of all on-site construction aspects that are not covered
 17 by preemption. HUD should not take on the duty and responsibility of local building code inspectors. It
 18 is the responsibility of the builder and homeowner to get the proper permits and inspections for work that
 19 is not covered by an AC letter or this proposed on-site rule.

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20 (6) Should the rule establish a deadline for completion of the work on site and final inspection?
 21 Should protections, in addition to proposed § 3282.15(d)(3) and section 622 of the Act (42 U.S.C. 5421),
 22 be defined for the consumer who has entered into an arrangement to purchase a manufactured home
 23 that is to be completed to standards on site? How can HUD ensure that a purchaser can occupy the
 24 home at the earliest time possible, consistent with the completion of acceptable inspections? Should
 25 regulatory protections be defined for a manufacturer or retailer that has entered into a contract in which
 26 the construction of the home is to be completed on site by a certain date, but where there are delays
 27 outside of the manufacturer's or retailer's control in the construction or final inspection?

28 NO, HUD should not attempt to establish deadlines for completion of on-site work.

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29 (7) Should the rule clarify or identify responsibilities with respect to corrections or repairs when
 30 the home does not comply with the standards? If so, how should the responsibilities be distributed
 31 pending implementation of a dispute resolution program as required by section 623(g) of the Act(e.g.,
 32 among the retailer, installer, and manufacturer), and what should the rule say?

33 The manufacturer is responsible for the work performed under the on-site proposed rule.

34 However, this rulemaking does not apply to disputes that might occur between other parties over
 35 installation or defects to the home, which are covered by other regulations. Corrections or repairs to
 36 construction work specifically addressed by this proposed rule are the responsibility of the manufacturer.

37 No additional regulation is needed or required. (8) Should the rule provide that some or all of the
 38 procedures for inspecting the work on site also apply to repairs of manufactured homes that are
 39 completed and labeled in the factory, but that are substantially damaged before being sold by a retailer?
 40 Repair of damaged homes is a completely different matter and should not be addressed by the rulemaking
 41 dealing with on-site completion of manufactured homes.

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42 (9) Should the rule say more about what happens if the manufactured home does not pass the
 43 on-site inspection? If so, what should the rule provide? For example, should the rule require that such a
 44 home be removed, repaired, or red tagged?

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45 The home will ultimately have to pass the on-site inspection process before it can be considered to be
 46 "completed" and available for occupancy. If re-inspections are necessary for certain construction aspects,
 47 then this will be determined by the parties involved as an extension of the factory process to the field.

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(10) Is the proposed labeling procedure, in which a home to be completed using the new procedures is labeled in two stages and includes a consumer notice referencing the procedures, workable? Would additional protections be necessary if, instead of following the proposed process for on-site completion, the IPIA would red tag the labeled home at the factory, and would then itself remove the red tag at the site when all work is completed and found satisfactory? Should the permanent final label be affixed by the manufacturer or the manufacturer's agent, rather than the IPIA?

A new requirement is not necessary. As is the case at present, the HUD label is and should continue to be affixed by the manufacturer. An on site construction notice should be appended to that label indicating that the home will be completed on-site under § 24 CFR 3282.15. Once the inspection is successful, this on site construction notice is removed and attached to the inspection report. In this manner, only one label is used per floor section and reduces the amount of labels and record keeping that is required. The additional label requirement will be burdensome. Under the present provisions, one would require four separate labels for a double section home.

Also, the "SC" requirements for the design package details (on the sheet with the on-site completion details/specifications, and the separate portion of the design package where all "SC" details/specifications are located) are unnecessary. Between the manufacturer, DAPIA and the IPIA, these issues for on-site completion will be ironed out during the review and approval stage.

(11) Should the rule clarify what is the "date of manufacture" for units completed under this procedure, for purposes of the information required to be included on the data plate? If so, what should the clarification say? Without such clarification, what date would manufacturers use on the data plate? The data plate should be installed in the factory and should specify the "date of manufacture" as is completed at that date at the factory facility. Delaying the manufactured date until on-site completion work is finished would confuse and complicate the process.

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(12) Can monthly reporting to HUD of on-site home production be achieved better, such as through the use of individual reports, rather than combining the required extra information with the existing production report (Form 302) information? If so, provide recommendations for how to report production information on homes completed on site.

The current reporting procedures should prove adequate. Unnecessary paperwork would result by adding to or requiring different reporting methods. It would slow down the on-site completion process.

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(13) Does the rule need to provide that additional inspections, as necessary, outside of the factory will result in separate fee assessments, or can fee arrangements for on-site inspections be governed by agreements among the parties involved? Are there special concerns about the costs of out-of-State inspections for State PIAs that should be addressed in the rule?

The requirement that inspections be by the IPIA or an independent/designated inspector acceptable to the IPIA is adequate. Inspections fees will be determined during the normal course of business as they are today.

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(14) Should the rule provide for an additional label charge, in addition to the regular fees collected, for the extra regulatory oversight that is needed on homes completed under this process?

Additional and/or separate label charges are not necessary and would complicate the process.

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(15) Are there other jurisdictional concerns about the monitoring of the work completed on site being the continuing responsibility of the manufacturer's IPIA? Should the rule provide that the IPIA responsible under these procedures may agree to allow any other IPIA to provide the services required of the responsible IPIA? Would such a provision conflict with any State requirements relating to the inspection of manufactured homes?

The IPIA should be permitted to make this decision regarding the use of any independent inspector, as long as he/she is acceptable to the IPIA.

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(16) What procedures should be established if an exclusive State IPIA is unable to conduct out-of-State inspections on homes approved for completion under this new process?
The exclusive State IPIA should be required to accept private IPIAs when State IPIAs are not able to conduct the needed/required on-site inspections.

VII. Technical corrections.

The Department also proposes to use this rulemaking proceeding to make the following technical corrections to part 3282:

- The unused definition of United States District Court would be removed from § 3282.7. That term was used in former § 3282.155(e) concerning enforcement of subpoenas, a subject which is now addressed in 24 CFR part 3800.
- The heading of § 3282.8(a) would be updated from Mobile homes to Manufactured homes.
- The initial letter of § 3282.12(a) would be capitalized.
- The heading of § 3282.207 would be corrected to remove a typographical error.

List of Subjects in 24 CFR Part 3282.

Administrative practice and procedure, Consumer protection, Intergovernmental relations, Investigations, Manufactured homes, Reporting and record keeping requirements, Warranties.

Accordingly, the Department proposes to amend 24 CFR part 3282 as follows:

PART 3282--MANUFACTURED HOME PROCEDURAL AND ENFORCEMENT REGULATIONS

1. The authority citation for part 3282 continues to read as follows:

AUTHORITY: 28 U.S.C. 2461 note; 42 U.S.C. 3535(d); 42 U.S.C. 5424.

2. Section 3282.7 is amended by deleting the definition of "United States District Courts" in paragraph (mm). Section 3282.7 is revised further by adding the following definition of "Completed".
(?) *Completed* – as it applies to affixing a certification label, means that the manufactured home as it leaves the factory, is in full compliance with the Regulations and the Standards except for structural, electrical, mechanical, and plumbing installations and connections necessary to complete and connect the transportable sections on site and the installation of weather finishes designed to cover these field connections. The approved designs and manufacturer's installation instructions shall specify the work, connections and coverings which are to be field completed.

3. The heading of § 3282.8(a) is revised to read as follows:

§ 3282.8 Applicability.

(a) Manufactured homes. * * * *

4. Section 3282.12(a) is amended by capitalizing the initial letter thereof.

5. A new § 3282.15 is added to subpart A to read as follows:

§ 3282.15 On-site completion of homes.

(a) Purpose and applicability. (1) Purpose of section. This section establishes a procedure for limited on-site completion of some aspects of construction that are ordinarily completed at the factory and that do not meet the prerequisites for alternative construction letters under § 3282.14 since the manufactured home, when completed is built in conformance with the standards.

(2) Substantial completion in factory required. This section will apply only if the manufactured home is substantially completed in the factory. A manufactured home is substantially completed in the

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factory if all aspects of construction are finished in the manufacturer's plant except:

(i) The following details of the home that are permitted to be finalized on site as an extension of siting processes in accordance with the manufacturer's installation instructions:

(A) Close-up details for multiple-section units, including exterior roof coverings; siding; ridge caps; sheathing; roof, wall, and floor connections; crossover ducts; and utility connections;

(B) Close-up details for single-section units, including utility connections and exterior roof coverings and siding for expandable rooms; and

(C) The final framing and decking of hinged roofs that are not penetrated for other connections or windows;

(ii) Aspects of construction that qualify for approval to be completed on site in accordance with paragraph (a)(3) of this section; and

(iii) Aspects of construction that qualify for approval to be completed as alternative construction in accordance with § 3282.14.

(3) Partial completion permitted on site. The manufacturer, the manufacturer's DAPIA, and the manufacturer's IPIA may agree to permit certain aspects of construction of a manufactured home to be completed to the standards on site. The aspects of construction that may be approved are the partial completion of structural assemblies or systems (e.g., electrical, plumbing, heating, cooling, fuel burning, and fire safety systems) and components built as an integral part of the home, when the partial completion on site is warranted because:

(i) Completion of the partial structural assembly or system during the manufacturing process would result in transportation damage or would be precluded because of road restrictions;

(ii) The home design involves work that cannot reasonably be completed in the factory;

(iii) The homeowner is or may be providing a building component on site such as a bath tub, water heater, gas appliance or cooking range

(iv) The home design allows additions to be completed on site based on the requirements of the authority having jurisdiction such as garage, basement or room addition ready or natural gas ready homes; or

(vi) The home has exterior or marriage line designs that are susceptible to transit damage such as exterior doors, installation of dormers, or non-load bearing marriage line walls.

(4) Standards to be met upon completion. The affected home must meet the requirements of the standards upon completion of the site work.

(b) Request for approval; DAPIA review and notification.

(1) Manufacturer's request for approval. The manufacturer must request, in writing, and obtain approval of its DAPIA for any aspect of construction that is to be completed on site under this section. The manufacturer, its IPIA, and its DAPIA need to work together, prior to seeking approval, to reach agreements necessary to enable the request to be reviewed and approved.

(2) DAPIA notification. The DAPIA must notify the manufacturer of the results of its review of the manufacturer's request, and must retain a copy of the notification in the DAPIA's permanent records for a period of five years. The notification must either:

(i) Approve the request if it is consistent with this section and the objectives of the Act; or

(ii) Deny the proposed completion on site and set out the reasons for the denial.

(3) Manner of DAPIA approval. Notification of DAPIA approval must include, by incorporation or by listing, the information required by paragraph (b)(4) of this section, and must be indicated by the DAPIA placing its stamp of approval or authorized signature on each page of the manufacturer's designs submitted with its request for approval.

(4) Contents of DAPIA approval. Any approval by the DAPIA under this section must:

(i) Identify the work to be completed on site;

(ii) List all models to which the approval applies, or indicate that the approval is not model

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specific;

(iii) Include acceptance by the DAPIA of a quality assurance system meeting the requirements of paragraph (b)(5) of this section;

(iv) Include the IPIA's written agreement to accept responsibility for completion of the monitoring of the manufacturer's on-site quality control system and performing the necessary on-site inspections and reviewing the accompanying records to ensure the manufacturer's on-site system is working;

(v) Identify instructions authorized for completing the work on site that meet the requirements of paragraph (b)(6) of this section;

(vi) Include the manufacturer's proposed quality control system for tracking the status of homes built under the approval until the on-site work and necessary inspections have been completed, to assure that the work is being performed properly;

(vii) Include an inspection checklist developed by the IPIA and manufacturer and approved by the DAPIA, that is to be used to verify completion of the on-site work by the manufacturer and IPIA site inspectors; and

(viii) Include any other requirements and limitations that the DAPIA deems necessary or appropriate to accomplish the purposes of the MHIA of 2000 (for example, any special testing

procedures.) (5) Quality assurance system. (i) The portion of the quality assurance system required by paragraph (b)(4)(iii) of this section must receive the concurrence of the manufacturer's IPIA to the extent that it is applicable to the completion on site of the affected manufactured homes. It must include a commitment by the manufacturer to prepare a final site inspection report that will be submitted to the IPIA for its review. When appropriate, this portion of the quality assurance system will be deemed a change in the manufacturer's quality assurance manual for the applicable models, in accordance with §§ 3282.203 and 3282.361.

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(6) Instructions for completion on site. The manufacturer must include instructions, which are reviewed and approved by the DAPIA, for completing the work on site as a separate part of the manufacturer's approved design package. The manufacturer must provide a copy of these instructions, indicating that they must be followed to assure compliance with the Federal standards, in the home and to the IPIA, for monitoring and inspection purposes. The copy provided in the home may be provided with the installation instructions included in the home.

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(c) Requirements applicable to completion of construction.

(1) Serial numbers of homes completed on site. The serial number of each home completed in conformance with this section must include the prefix "SC".

(2) Labeling. (i) A manufacturer that has received a DAPIA approval under paragraph (b)(2) of this section may certify and label a manufactured home that is substantially completed in the manufacturer's plant at the proper completion of the in-plant production phase, even though some aspects of construction will be completed on site in accordance with the DAPIA's approval. Any such home is to be shipped with a certification label, and an on site completion notice.

(A) The on site completion notice must be affixed adjacent to the location for the label. The on site completion notice must read as follows:

On Site Completion Notice

This home has been built to an on-site completion program approved by the Department of Housing and Urban Development. The home will require additional construction or assembly at its final destination to assure compliance with HUD standards. Inspections for on-site work will be completed as determined by the approved Primary Inspection Agency for the manufacture in the state of origin.

This home may be transported and installed prior to completion of the on-site completion process. The local authority having jurisdiction at the place of installation may proceed with its inspection process as it

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sees necessary.

The on-site completion instructions are provided with the home and are to be followed exactly to assure compliance with the HUD standards. The retailer/ distributor must notify the manufacture to arrange for the on-site completion work at (*insert home address*).

This notice is to remain affixed to the home until the on-site completion process has been completed. When complete, the notice and the required paperwork are to be returned to the manufacturer.

Manufacturer:

Date:

Certification Label Number:

(B) The notice must meet the requirements in paragraph (d)(1) of this section.

(ii) When the manufacturer has completed the site work in accordance with the approved designs and the manufacturer has performed the necessary inspections to approve the work on site. The on site completion notice shall be removed according to the agreements among the manufacturer, DAPIA and IPIA .

(3) Site inspection report. (i) The manufacturer is responsible for inspecting all aspects of construction that are completed on site as provided in its approved quality control system. The manufacturer must prepare a final site inspection report and arrange for IPIA review and approval of the work completed on site as provided for the in the agreements with the manufacturer, DAPIA and IPIA.

(ii) Each site inspection report must include:

(A) The name and address of the manufacturer;

(B) The serial number of the manufactured home;

(C) The address of the home site;

(D) The name and address of the installer(s) or contractor(s) responsible for performing any or all on-site completion work.

(E) The name, mailing address, and telephone number of the inspector and the inspector's company affiliation when they are acting as agents of the IPIA, if any;

(F) A description of the work performed on site and the inspections made;

(G) Verification that any problems noted during inspections have been corrected prior to certification of compliance; and

(H) Certification of completion in accordance with the DAPIA-approved instructions.

(iii)(A) The IPIA must review and approve each manufacturer's final site inspection report.

(B) Concurrently with work done on site, or after completion of the work, the IPIA must have inspected enough of the work done on site to ensure the manufacturer's on site quality control system is working according to the approvals granted under this section.

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(C) If the IPIA determines that the manufacturer or installer is not performing adequately in conformance with the approval, the IPIA must cause corrections to be made and re-inspections to occur until it is satisfied that the manufacturer or installer is conforming to the conditions included in the approval.

(D) The IPIA must notify the manufacturer of the IPIA's acceptance of the manufacturer's final site inspection report. The IPIA may indicate acceptance by issuing its own final site inspection report showing the work completed on site is in compliance with the DAPIA approval and the standards, or by placing its stamp of approval or authorized signature on the cover page of the manufacturer's final site inspection report and certification.

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(E) The manufacturer must attach or append the on-site completion notice to the inspection report for record keeping purposes.

(4) Report to HUD. (i) After an acceptable final inspection of work completed on site, the manufacturer must report to HUD or its agent, on the manufacturer's monthly production report required pursuant to § 3282.552, the serial number of each home produced under an approval issued pursuant to this section. The manufacturer must also provide a brief description of the work done on site for each of these homes on this report. The report must be consistent with the DAPIA approval issued pursuant to this section.

(d) Consumer information. (1) Notice. Any home completed under the procedures established in this section must be shipped with a notice that explains that the home will comply with the requirements of the standards only after all of the site work has been completed and inspected. The notice must be legible and typed, using letters at least 1/4 inch high in the text of the notice and 3/4 inch high for the title. The notice must read as follows:

NOTICE

This home has been substantially completed at the factory and will be certified as having been constructed in conformance with the Federal Manufactured Home Construction and Safety Standards when specified work is performed and inspected at the home site. This site work must be performed in accordance with manufacturer's instructions that have been approved for this purpose. These instructions are required to be included in the home, and are to be followed to assure compliance with Federal requirements

(2) Placement of information. The notice required by this paragraph (d) must be displayed in a conspicuous and prominent location within the manufactured home and in a manner likely to assure that it is not removed until removed by the purchaser or lessor. No retailer, construction contractor, or other person may interfere with the display of the notice.

(e) IPIA responsibilities. The IPIA for any manufacturer proceeding under this section is responsible for:

(1) Working with the manufacturer and the manufacturer's DAPIA to incorporate into the DAPIA-approved quality assurance system any changes that are necessary to ensure that homes completed on site conform to the requirements of this section;

(2) Arranging for the affixing of the on-site completion notice in the manner prescribed in 3282.362 (c) (2) (I) and the approval granted under this section.

(3) Overseeing the manufacturer's quality control system for assuring that on-site work is completed to the DAPIA-approved designs, which must include:

(i) Monitoring the manufacturer's system for tracking the status of each home built under the approval until the on-site work and necessary inspections have been completed;

(ii) Reviewing all of the manufacturer's on-site inspection reports; and

(iii) Inspecting enough of the on-site work to ensure the manufacturer's quality control system is working;

(4) Designating an IPIA inspector, or a qualified independent inspector (who is not associated with the manufacturer and is not involved with the site construction or completion of the home) acting on behalf of the IPIA, to inspect the work done on site for the purpose of determining compliance with:

(i) The approved design or, as appropriate under § 3282.362(a)(1)(iii), the standards; and

(ii) The DAPIA-approved quality assurance system applicable to the labeling and completion of the affected manufactured homes;

(5) Notifying the manufacturer of the IPIA's acceptance of the manufacturer's final site inspection report; and

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(6) Preparing inspection reports as applicable and maintaining such reports and site inspection reports of the manufacturer for a period of five years. All reports must be available for HUD review in the IPIA's central record office as part of the labeling records.

(7) Attaching or appending the on-site completion notice to the inspection report for record keeping purposes after on-site inspection approval.

(f) Manufacturer responsibilities. A manufacturer proceeding under this section is responsible for:

(1) Obtaining DAPIA approval for completion of construction on site, in accordance with paragraph (b) of this section;

(2) Obtaining the IPIA's agreement to perform on-site inspections as necessary under this section and the terms of the DAPIA's approval;

(3) Paying the IPIA's costs for performing on-site inspections of work completed under this section;

(4) Providing in the home a copy of the instructions for completing the work on site, which may be provided with the installation instructions in the home;

(5) Providing the IPIA a copy of the instructions for completing the work on site;

(6) Certifying through the labeling process that the home meets the requirements of this part;

(7) Ensuring the consumer notification requirements of paragraph (d) of this section are met for any home completed under this section;

(8) Maintaining a system for tracking the status of homes built under the approval until the on-site work and necessary inspections have been completed, that will assure that the work is performed in accordance with the quality control manual and other conditions of the approval;

(9) Ensuring performance of all work as necessary to assure compliance with the standards upon completion of the site work, regardless of who does the work or where the work is completed;

(10) Preparing a site inspection report upon completion of the work on site, certifying completion in accordance with DAPIA-approved instructions, and providing this report and certification to the IPIA;

(11) Maintaining in its records for a period of five years, the approval notification from the DAPIA, the manufacturer's site inspection report and certification of completion in accordance with the DAPIA-approved instructions, and the IPIA's acceptance of the final site inspection report and certification, and making all such records available for review by HUD in the factory of origin; and

(12) Reporting to HUD or its agent the serial numbers assigned to each home completed in conformance with this section.

(g) Revocation or amendment of DAPIA or IPIA approval. The DAPIA that issued an approval, the IPIA that concurred with the approval or the Secretary may revoke or amend, prospectively, an approval notification issued under paragraph (b) of this section. The approval may be revoked or amended whenever the DAPIA, IPIA or Secretary determines that:

(1) The manufacturer is not complying with the terms of the approval or the requirements of this section;

(2) The approval was not issued in conformance with the requirements of this section; or

(3) A home produced under the approval fails to comply with the Federal standards.

(h) Failure to comply with the procedures of this section. In addition to other sanctions available under the MHIA of 2000 and this part, the Secretary may prohibit any manufacturer or PIA found to be in violation of the requirements of this section from applying the procedure in the future, after providing an opportunity for an informal presentation of views in accordance with § 3282.152(f). Repeated infractions of the requirements of this section may be grounds for the suspension or disqualification of a PIA or manufacturer.

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(i) Compliance with this section. If the manufacturer or IPIA, as applicable, complies with the requirements of this section and the home complies with the standards for those aspects of construction covered by the DAPIA approval, then a manufacturer or retailer that has permitted a manufactured home approved for on-site completion under this section to be sold, leased, offered for sale or lease, introduced, delivered, or imported, or, as appropriate, an IPIA that has permitted the home to be labeled as conforming to the standards, will not be in violation of the requirements of the MHIA of 2000, this part, or part 3280 of this chapter, for those aspects of construction covered by the approval.

6. Section 3282.203 is amended by adding a new sentence at the end of paragraph (e) to read as follows:

§ 3282.203 DAPIA services.

* * * * *

(e) * * * When applicable under the requirements in § 3282.15 for on-site completion, the appropriate IPIA must concur in the change before it may be approved by the DAPIA.

* * * * *

7. Section 3282.361(c)(4) is amended by revising the first sentence to read as follows:

§ 3282.361 Design Approval Primary Inspection Agency (DAPIA)

* * * * *

(c) * * *

(4) Manual change approval. Each change the manufacturer wishes to make in its quality assurance manual must be approved by the DAPIA, and, as necessary pursuant to § 3282.15, concurred in by the IPIA. * * *

* * * * *

8. Section 3282.362 is amended by revising the first sentence of paragraph (c)(2)(i)(A) and by adding a new paragraph (d)(5), to read as follows:

§ 3282.362 Production Inspection Primary Inspection Agencies (IPIAs)

* * * * *

(c) * * *

(2) * * *

(i) * * *

(A) The IPIA will continuously provide the manufacturer with a 2- to 4-week supply (at the convenience of the IPIA and manufacturer) of the certification labels and on site completion notices described in this paragraph (c)(2)(i) and § 3282.15(c)(2), except that no labels may be issued for use when the IPIA is not present if the IPIA is not satisfied that the manufacturer can and is producing manufactured homes that conform to the design and, as appropriate, standards. * * *

* * * * *

(d) * * *

(5) Records of all site inspections made as required under procedures applicable to approval of alternative construction or on-site completion pursuant to §§ 3282.14 or 3282.15.

* * * * *

9. Section 3282.552 is revised to read as follows:

§ 3282.552 Manufacturer reports for joint monitoring fees.

For each month, the manufacturer must submit to the IPIA in each of its manufacturing plants, and to HUD or its agent, a production report that includes the serial numbers of each manufactured home manufactured and labeled at that plant during the preceding month. The report must also include the date of completion, State of first location of these manufactured homes after leaving the plant, type of unit, and any other information required under this part. The State of first location is the State of the

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premises of the retailer, or purchaser to whom the manufactured home is first shipped. The report for each month must be submitted by the tenth day of the following month. The manufacturer is encouraged to submit the report electronically, when feasible.

Dated: _____

John C. Weicher, Assistant Secretary for Housing-Federal

Housing Commissioner

[FR-4216-P-01]

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